

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 AGRE-00 MMO-01 /107 W
-----082667 121405Z /43

R 121338Z MAY 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 8485
INFO AMCONSUL BREMEN
AMCONSUL DUSSELDORF
AMCONSUL FRANKFURT
AMCONSUL HAMBURG
AMCONSUL MUNICH
AMCONSUL STUTTGART
USMISSION USBERLIN
USMISSION USNATO
USMISSION GENEVA
AMEMBASSY BERN
AMEMBASSY BRUSSELS

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USEEC ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: ELAB, GW
SUBJECT: UNEMPLOYMENT SEASONALLY DOWN DURING APRIL

REF: (A) BONN 8264; (B) BONN 8277; (C) BONN 6594

SUMMARY: UNEMPLOYMENT IN THE FRG DECLINED SIGNIFICANTLY DURING
APRIL. THE RATE OF 4.4 PERCENT WAS LOWER THAN ONE YEAR
EARLIER (4.6 PERCENT). NEVERTHELESS, REPRESENTATIVES
OF THE SPD/FDP COALITION AND THE CDU/CSU OPPOSITION
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REMAINED SKEPTICAL ABOUT FUTURE LABOR MARKET DEVELOP-
MENTS. UNION LEADERS AT MAY DAY RALLIES REPEATED CALLS
FOR ENDING UNEMPLOYMENT, AND FOR A REDUCTION OF THE
WORK WEEK TO 35 HOURS, LONGER VACATIONS, AN EARLIER
RETIREMENT AGE AND AN EXTENSION OF GENERAL SCHOOL EDU-
CATION. END SUMMARY.

1. AN UPDATED REVIEW OF THE UNEMPLOYMENT STATISTICS
PUBLISHED BY THE FEDERAL EMPLOYMENT SERVICE FOLLOWS
(ALL TOTALS IN THOUSANDS, ALL RATES IN PERCENTAGES):

UNEMPLOYMENT		COMPARISONS	
APRIL 78	MARCH 78	APRIL 77	
TOTAL	RATE	TOTAL	RATE

SEAS. ADJ.	999	1.021	1.031
NON-SEAS.	1,000.4	4.4	1.039
ADJ.			4.6

TABLE CONT'D

TOTAL	RATE	TOTAL	RATE	TOTAL	RATE
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MEN	495.0	3.5	584.7	4.1	522.8	3.6
WOMEN	505.4	5.9	514.3	6.0	516.4	6.1
REG. JOB	257.1		247.5		246.4	
OPENINGS						
PART TIME	298.4		225.7		241.5	
WORKERS						
FOREIGN	105.5	5.4	114.0	5.8	98.2	4.8
WORKERS						
YOUTH	79.5	3.7	92.4	4.3	89.3	4.0
(UNDER 20)						

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2. PRESIDENT STINGL OF THE FEDERAL EMPLOYMENT SERVICE STATED AT A PRESS CONFERENCE THAT THE EMPLOYMENT PICTURE HAS BECOME "SOMEWHAT BRIGHTER". ACCORDING TO STINGL THE DECLINE IN UNEMPLOYMENT BY 98,500 DURING APRIL WAS THE GREATEST MONTHLY DECLINE RECORDED SINCE APRIL 1968. HOWEVER, HE POINTED OUT THAT WINTER UNEMPLOYMENT HAD BEEN MORE SEVERE THIS YEAR THAN IN PREVIOUS YEARS. HE THOUGHT THERE WERE SIGNS OF IMPROVEMENT PARTICULARLY IN CONSTRUCTION, OTHER OUTDOOR OCCUPATIONS AND IN THE CLERICAL SECTOR.

3. THE SEASONALLY ADJUSTED FIGURES ALSO SHOWED A MARKED DECLINE FROM 1,021,000 IN MARCH TO 999,000 IN APRIL. THE COMPARABLE FIGURE FOR APRIL 1977 WAS 1,031,000. FOR THE FIRST TIME SINCE MARCH 1975, THE SEASONALLY ADJUSTED UNEMPLOYMENT FIGURE WENT BELOW THE 1 MILLION MARK.

4. ON A REGIONAL BASIS, THE BEST RESULTS WERE REGISTERED IN SOUTH BAVARIA WHERE UNEMPLOYMENT DECLINED SEASONALLY BY 22.6 PERCENT OR 23,500, AND IN NORTH BAVARIA WITH A DECLINE OF 22,500. THE DECLINE WAS

COMPARATIVELY SMALL IN NORTH RHINE-WESTPHALIA (MINUS 13,900) AND IN WEST BERLIN (MINUS 1,800). WITH THE PROGRESSIVE REDUCTION IN SEASONAL UNEMPLOYMENT THE DIFFERENCES IN REGIONAL UNEMPLOYMENT RATES ARE LESS THAN THEY WERE DURING THE PAST WINTER MONTHS. LOWER SAXONY-BREMEN AGAIN RECORDED THE HIGHEST UNEMPLOYMENT

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USEEC AND EMBASSY

RATE WITH 5.4 PERCENT, FOLLOWED BY WEST BERLIN (5.2 PERCENT), NORTH RHINE-WESTPHALIA (5.1 PERCENT), AND RHINELAND-PALATINATE-SAARLAND (5.1 PERCENT). BADEN-WUERTTEMBERG AGAIN HAD THE LOWEST RATE WITH 2.6 PERCENT, FOLLOWED BY SOUTH BAVARIA WITH 3.5 PERCENT, AND HESSE WITH 3.7 PERCENT.

5. REPRESENTATIVES OF THE SPD/FDP COALITION AND THE CDU/CSU OPPOSITION WERE SKEPTICAL ABOUT ANY LABOR MARKET IMPROVEMENTS IMPLICIT IN THE LATEST FIGURES. FDP LIMITED OFFICIAL USE

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REPRESENTATIVES THOUGHT THAT THE FIGURES DID NOT INDICATE ANY CHANGE IN TRENDS. SPD BUNDESTAG DEPUTY EUGEN GLOMBIG, THE PARTY'S SOCIAL WELFARE EXPERT, RESTATED HIS BELIEF IN THE NEED FOR LEGISLATION TO REDUCE WORKING HOURS AND TO RESTRICT OVERTIME. SPOKESMEN FOR THE CDU/CSU OPPOSITION FELT THAT THE UNEMPLOYMENT RATE DID NOT GIVE ANY REASON FOR OPTIMISM.

6. UNEMPLOYMENT WAS A POPULAR ISSUE FOR UNION LEADERS ADDRESSING THIS YEAR'S MAY DAY RALLIES (REF B). DGB PRESIDENT VETTER ADVOCATED A REDUCTION OF WEEKLY WORKING HOURS TO 35, LONGER VACATIONS, AN EARLIER RETIREMENT AGE, AND AN EXTENSION OF GENERAL SCHOOL EDUCATION.

7. CHANCELLOR SCHMIDT HAS CALLED THE FIGHT AGAINST UNEMPLOYMENT THE NUMBER ONE TASK OF HIS GOVERNMENT (REF B). BUT, IN A WIDERANGING INTERVIEW ON UNEMPLOYMENT WITH THE "NEUE RHEIN ZEITUNG" (PRO-SPD) ON APRIL 26, HE EMPHASIZED THAT THE GOVERNMENT DID NOT PLAN ANY NEW ECONOMIC INCENTIVE PROGRAMS. IN THE SAME INTERVIEW HE ASSERTED THAT THE OFFICIAL UNEMPLOYMENT FIGURES INCLUDE THOUSANDS OF PEOPLE, PARTICULARLY WOMEN, WHO ARE SEEKING ONLY PART-TIME JOBS. THERE ARE OTHERS, HE FELT, WHO TEMPORARILY DRAW UNEMPLOYMENT BENEFITS JUST BEFORE REACHING THE RETIREMENT AGE, AND SOME WHO DO NOT WANT TO WORK AND WHO GET ALONG WITHOUT A REGULAR JOB DEPENDING ON NON-REGISTERED CASUAL LABOR. HE ALSO CLAIMED THAT EXCEPT FOR THE COAL AND STEEL INDUSTRIES A SKILLED WORKER HAS NO PARTICULAR DIFFICULTY FINDING A JOB. NEVERTHELESS, HE ACKNOWLEDGED THAT THERE ARE HUNDREDS OF THOUSANDS FOR WHOM UNEMPLOYMENT IS A GRAVE BURDEN.

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8. COMMENT: THE CHANCELLOR SEEMS TO VIEW THE UNEMPLOYMENT STATISTICS AS LESS THREATENING THAN DO SOME OF HIS COLLEAGUES AND SUPPORTERS IN THE SPD AND DGB. MEMBERS OF THE SPD BUNDESTAG FACTION, SUPPORTED BY THE UNIONS,

HAVE URGED THE GOVERNMENT TO AMEND THE 40-YEAR OLD LAW ON WORKING HOURS (ARBEITSZEITORDNUNG) IN ORDER TO IMPOSE A STRICT LIMITATION ON OVERTIME WHICH THEY CONTEND WOULD CREATE MORE JOBS. THE GOVERNMENT HAS RESISTED PRESSURE FOR ANY COMPREHENSIVE CHANGES IN LEGISLATION ON WORKING HOURS, PARTICULARLY SINCE THE FDP SIDE OF THE COALITION IS OPPOSED. THE FDP WOULD PREFER TO LEAVE THE QUESTION OF SHORTER WORKING HOURS TO BE DECIDED BETWEEN UNIONS AND EMPLOYERS AT THE BARGAINING TABLE.

IN SEPERATE DISCUSSIONS RECENTLY WITH EMBASSY LABATT, HEINZ KLUNCKER, PRESIDENT OF THE PUBLIC SERVICE EMPLOYEES UNION (OETV) LABELED UNEMPLOYMENT THE NUMBER ONE PROBLEM IN THE FRG WHILE ADOLF SCHMIDT, PRESIDENT OF THE MINE AND ENERGY WORKERS UNION (IG BERGBAU UND ENERGIE) SAID THAT THE LOW ECONOMIC GROWTH RATE WAS THE MOST IMPORTANT PROBLEM FACING THE COUNTRY. SCHMIDT ACKNOWLEDGED THE LINKAGE BETWEEN RATE OF GROWTH AND UNEMPLOYMENT, BUT DECLINED TO PLACE UNEMPLOYMENT FIRST. STOESEL

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